

STENOGRAPHIC NOTES OF CONVERSATION BETWEEN DCI AND COLONEL LANSDALE
12 JULY 1956 AT 1230 HOURS.

L- "...take over part of the process such as this marble silicate...
for lime."

D- "The feeling is...you get [] you have others there, too." 25X1

L- "Yes, Sir. I think though that we are reaching a point of diminishing
returns internally in Vietnam on that and the Vietnamese feeling
that they should help themselves more. And I think that we should
encourage that more...Vietnamese. And it might be wise to wind up
with a victorious effect here on this [] and 25X1
get out while the banners are all flying and so on. We might start
running into a law of diminishing returns for ourselves here."

D- "Well, your judgment is good on that. I don't know it. But like
you say, the Vice President couldn't have gone further than he did
in his praise of this kind of thing in other places. This kind of
thing pays off. Now let's turn to the idea of economic warfare.
I'll get in touch with the people who are working on that. I
like the cooperative idea if we can do that. The question is if
the ICA should do it or whether we should do it. It runs into
big money, doesn't it?"

L- "It runs into big money. I think it's an ICA job but any economic
action taken out there in the next two years will be done in a
political atmosphere of neutralism and we, on our side, have got
to tie in our economic work whatever it is, just straight aid or

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grants or anything. We have to tie it in with the political necessities of the U. S. everywhere and once we get into that, we get into our own political warfare. In other words, co-ops would probably be undertaken initially absentia with any organizations that we ourselves are connected with or pushing or promoting in any of these countries."

D- "Where did you think of doing that? You say the Communists are doing it big scale up in North Vietnam? "

L- "In the North. I'd like to see us go to work in South Vietnam and there are three thousand (billets) in there, or agrarian centers and I'd like to see us as a goal try and get as close to covering all those (billets in) in, if not the next two years, in the next three years."

D- "Are you going to run across the opposition of the local merchants and so forth?"

L- "It will cut into the money lending and usury of Chinese mostly rather than the native Vietnamese and I think any opposition will be politically unpopular among the people themselves. I don't think there will be anything to really fear about. That, plus a road program into the country which also has some military significance, I think is far more important than our bearing down hard on agrarian with farms and other types of activities that we have undertaken because the reforms will follow any opening up of the country and any giving people some means of helping themselves."

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D- "Have they got a program that they can finance? Or will we have to help them on that?"

L- "Well, I really don't know. This has been discussed by some of your staff and with ICA in the past and apparently a decision has been made that ICA will continue with it's present program in Vietnam on cooperatives but they've established very few of them. They've got their own plan there at the present and it doesn't have the push to it and the development that is indicated by political means today. I wouldn't be in favor of this unless it was tied in politically and having the Ambassador be the man to make the decision on these things."

D- "We had quite a discussion today on the basis of the Vice President's report in regard to the size of the American mission in the various countries, not so much in Vietnam because there we have been very much restricted in what we do but in general that the ICA have too many people wandering around and too many projects and so forth. Is that your impression there?"

L- "Yes Sir, very much so. I don't think it's a question of too many people wandering around or even too many projects though Gosh knows they've got lots of them. I think it's mostly a question of administrative procedures imposed on ICA which forces them to take personnel into the field and instead of utilizing them in the field in those countries, they have to stick in an office building

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and sit at their desk filling out forms and justifying and going through many procedures."

D- "Now what countries have you in mind for putting in co-ops? Southern Vietnam and Cambodia?"

L- "Now, on Cambodia we come into a political field. I think in order to counter Sihanouk's organization if we start helping construct or working with your political leaders or those who can construct an organization that their geographical areas ought to get this type of help from us on the economic side. And there are two provinces there now up around the old ruins of Angkor Wat that might possibly be the place we'd start putting in lateral roads which could be just dirt roads scraped in by bulldozers opening up the area so there's some advantage for people who will be going along against the Communists and being on our side. Co-ops making them have even further attachment to the lines and something that would give them a little independence. In other words, if we would strengthen them economically while they are coming along politically with us, why, we'd wind up with pretty good counterbalance to the neutralists there."

D- "We are going to set up this inter-agency group very shortly to study the Cambodian situation and see what we can come up with. That was discussed this morning, too; and I was thinking of calling a meeting of that group and I'd like you sitting in on the first meeting. Defense has named General Erskine, we've named our I haven't heard from State who they want to put on that. If you

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could be present for the first meeting to give them your view,--
when do you go away?"

L- "Monday, Sir."

D- "Monday. If we have the meeting on Saturday, will that interfere
with your plans too much?"

L- "No, Sir."

(Using telephone.)

D- "Mr. Herbert Hoover, please."

L- "On our own part, Sir, other than the organizations that might be
used, I think that our main task as an agency would be to take full
advantage of the Communists coming out from behind the Iron Curtain
now and coming into these countries and do what they have done to
us where we have been in the same vulnerable position."

D- "How would you get at that? Are you talking about the Chinese
Communists coming down?"

L- "Well, Chinese, any of the missions. I don't see much harm if a
group of natives would overturn a car or something and burn it up
and the attendant publicity for some reason or other."

D- "It would be a very good thing."

L- "I think that's very much in our province and something that we
might bring out ways and means of achieving."

D- "Have you got any thoughts as to a program for Cambodia?"

L- "Not definitely, no, Sir."

D- "We haven't many assets and it isn't going to be very easy to build
them up, is it?"

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L- "No."

D- "Who has assets there? MAG? There's quite a MAG mission there."

L- "No, Sir, they really haven't. They haven't gotten any place there. I think we are going to have to start tackling the problem at least half of it from outside Thailand and Vietnam, both for getting a pretty careful reading on it and for the information and also for possibly some political actions on that."

D- "Aren't they pretty hostile though to both the Vietnamese and the Thailanders?"

L- "Yes, I was thinking there of, that one of them, the opposition will run to either country though for asylum you see; and that might open up some possibilities where we at some point would have to enter in on the deal. I don't see that either the Thai or the Vietnamese can undertake political actions themselves other than just initiating the initial contacts."

D- "You mean, should we try to urge that go back to his own country via the United States? He's a very impressionable fellow, I understand. He's the kind that the last thing he sees may be the thing that makes the impression on him. Has he ever been in this country?"

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L- "I think that it would be very helpful—. Not that I know of, he never has. And I think it would be extremely helpful depending on who is in his party. He got along very well in the Philippines,

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he left feeling very well; and on the flight back he had two people with him who wrote his opening remarks as he got off the aircraft when he got home and he had just changed completely. So that it depends on who it is. [] if he is with him, why a trip to the United States wouldn't help."

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D- "Who is he?"

L- "Well, he is a Frenchman who we exiled out of Vietnam and is now a close friend and advisor of Sihanouk's."

D- "How do you spell his name?"

L- [] with an accent."

D- "Oh, yes, I've heard of him."

L- "He's a very clever psychological warfare man. One of the best."

D- "And is he pro-Communist?"

L- "I think he's anti-U.S., possibly pro-Communist but anything that would hurt us would be—."

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L- [] I think he's a journalist and I think he's as independent as any French Communist might be."

D- "Is he with him on this trip as far as you know?"

L- "I don't know, Sir."

D- "I think that he's in Paris now, isn't he, Sihanouk?"

L- "Yes, I think so."

D- "He's been taking a month's leave, I believe, in Paris."

L- "Well, if he came to this country I think the places he'd go would be strictly play boy style, New York and Hollywood."

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D- "You mean you think that's what he would do or what we should--."

L- "I think that that's what he would like to do and I think that's where we'd have to work with him. [redacted]

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[redacted] has got some very definite ideas and proposals on a visit here. He was definitely in favor of it."

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D- "When is [redacted] going to leave?"

L- "He was leaving--my gosh, it was six weeks after I left there and I was there about the middle of June so he might be coming out about the end of this month."

D- "Well, who have we got to take his place?"

L- "Well, he's coming up from [redacted] I forget his name. I don't know it."

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D- "Do you know this fellow?"

L- "No, I don't know him. No. Well, Sir, this dispatch that's coming in from USIA citing...dispatch...written by others who are up there with [redacted] and [redacted] when he was there."

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D- [redacted] is the one that was up in [redacted] He did quite a job. He impressed a lot of the people. I remember, [redacted] talking to me about him. (Buzz, answer squawk box--)

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Well, Herb, in the light of the discussion this morning, I'm anxious to get going on this little committee for "C". Defense has told me that they want General Erskine to work on it and we are putting on our [redacted] and I want--. Colonel Lansdale's with me now, and I want him to attend the first meeting and give his impressions as

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to...for route "C". (Pause) Well, he called me and I thought of calling the first meeting and sitting in on it myself and then letting them organize. I believe that you should chair these meetings and have your man the chairman of it. Or maybe they don't need a chairman, but they've got to have somebody to call the meetings and so forth. Is [] available or is he not appropriate for this? I know that. I know that. Yes, I realize, I was afraid that was it. All right, I thought of calling a meeting Saturday. It may not be such a good day. It's a good day for me and I'd like to sit in on this thing and get it going. Saturday morning. I thought. Well, I'll come over to your office then. Thanks Herb, right. (Hung up) ...on his trip. Well, I'll be in touch. Will you be able to make it then Saturday morning? I think we'll call a ... meeting on Saturday morning and talk it over here. Have we got any kind of a paper yet, do you know?"

L- "Gee, I don't know, Sir. I'll be down there this afternoon and check with them."

D- "Will you see []

L- "Yes, Sir. I'll see him."

D- "I'll probably talk with him on the telephone for a moment."

(Cut off)

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	SECRET
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	INITIALS	DATE
1	MR. WISNER	<i>RGW</i>	<i>28 Sept</i>
2	<i>Mr. Holmes</i>	<i>mm</i>	
3			<i>6 Nov.</i>
4			
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: The Director asked that you note the attached and return it to me. There is, of course, no objection to showing it to Dick and 			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
 18 July 56			
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